

Fundamentals of Finance

BMAN 10552

Credit rating 10

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Alliance Manchester Business School

Undergraduate

Level 1

Course unit overview

The course unit introduces the basic concepts from a wide spectrum of topics in finance including financial statement analysis, time value of money, capital budgeting, bond valuation, stock valuation, stock returns and market efficiency, portfolio diversification, CAPM, cost of capital, corporate governance, and behavioural finance. In addition, it also introduces empirical research evidences that synthesise the aforementioned topics.

Aims

This course unit introduces the fundamental concepts and techniques of finance. It is designed for non-finance specialist students or those without background knowledge in finance. It seeks to develop the financial literacy of the layperson.

Learning outcomes

On completion of this unit, successful students will be able to:

- acquire knowledge of corporate finance;
- understand capital budgeting and security valuation
- appreciate the relationship between risk and return.

Teaching and learning methods

Lectures: 17 one hour lectures (2 hrs per week for 8 weeks and 1 hr for 1 week)

Workshops: 3 one hour workshops in teaching weeks 3, 5 and 7

Private study: 80 hours

Total study hours: 100 hours split between lectures, workshops reading, self-study and preparation for classes, coursework and examinations.

Informal Contact Methods

1. Office Hours
2. Online Learning Activities (blogs, discussions, self assessment questions)
3. Drop in Surgeries (extra help sessions for students on material they may be struggling with)

Assessment methods

1.5 hour unseen examination (100%)

Feedback methods

- Informal advice and discussion during a lectures and workshops.
- Online exercises and quizzes delivered through the Blackboard course space.
- Responses to student emails and questions from a member of staff including feedback

provided to a group via an online discussion forum.

- Generic feedback posted on Blackboard regarding overall examination performance.

Requisites

BMAN10552 is a free choice option for students with prior agreement from their home schools. Core for MLBM, CSwBM and MathswBM.

Recommended reading

Main Textbook:

Hiller, D., Clacher, I., Ross, S., Westerfield, R., and Jordan, B. (2011) Fundamentals of Corporate Finance, European Edition, McGrawHill

Research Paper:

Lee, E., Walker, M., and Christensen, H. (2008) 'Mandating IFRS: Its impact on the cost of equity capital in Europe', ACCA Research Report 105

<http://www.accaglobal.com/content/dam/acca/global/PDF-technical/financialreporting/rr-105-001.pdf>

Scheduled activity hours

Assessment written exam	1.5
Lectures	17
Practical classes & workshops	3

Independent study hours

78.5 hours

Additional notes

Length of course: 12 weeks

Pre-requisites: None

Co-requisites: None

Dependent course units:

- BMAN23000(A) or (B) Foundations of Finance subject to passing BMAN10552 Fundamentals of Finance at 60% or above, BMAN20072 Investment Analysis if taken alongside BMAN23000(A) or (B) Foundations of Finance.
- BMAN20081 Financial Statement Analysis subject to passing BMAN10621 Fundamentals of Financial Reporting at 40% or above and BMAN10552 Fundamentals of Finance at 60% or above

Programme Restrictions:

Not available to students who have taken or are currently taking BMAN10522 or BMAN10522(M) Financial Decision Making.

BMAN10552 Fundamentals of Finance is available as a free choice option to students who have received prior agreement from their registering School.

BMAN10552 is available to study abroad and exchange students admitted through the University of Manchester International Programmes Office.

Timetable<https://ughandbook.portals.mbs.ac.uk/Non-AllianceMBSstudents/Teachingtimetables.aspx>

For Academic Year:

Updated:

Approved by: